



STATE OF ARKANSAS  
**TOBACCO CONTROL BOARD**

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**COST ALLOCATION FORM**

Please type or print legibly:

1. **Name:**\_\_\_\_\_.

2. **Wholesaler:**\_\_\_\_\_ **Retailer:**\_\_\_\_\_

**Cigarette Permit No.:**\_\_\_\_\_ **Federal ID No.:**\_\_\_\_\_.

3. **Cost Data Submitted is For Period Beginning**\_\_\_\_\_, **and Ending**\_\_\_\_\_.

4. **Calculation of Basic Cost of Cigarettes Sold in Arkansas:**

The Lesser of Total Invoice Cost or Replacement Cost for Period: \$\_\_\_\_\_

Plus full face value of the tax stamps used for the Period: \$\_\_\_\_\_

**Total Basic Cost of Cigarettes Sold in Arkansas for Period:** \$\_\_\_\_\_

5. **Calculation of Cost of Doing Business for Cigarettes Sold in Arkansas:**

A. Percentage Sales of Cigarettes in Arkansas Comprises of Total Sales in Arkansas.

Total Sales of Cigarettes in Arkansas for Period: \$\_\_\_\_\_

Divided by Total Sales in Arkansas for Period: \$\_\_\_\_\_

**Percentage Sales of Cigarettes Comprises of Total Sales:**

\_\_\_\_\_%

- B. Allocation of Sales and Miscellaneous Costs – Wholesalers and retailers must allocate the expenses listed below, together with any other expenses incurred in the operation of the business that are not listed elsewhere in this section, according to the percentage that the sale of cigarettes comprises of total sales:

<u>Cost Item</u>	<u>Allocated to Cigarettes</u>	<u>Total</u>
Bad debts.	\$ _____	\$ _____
Data processing.	\$ _____	\$ _____
Depreciation of buildings, except as allocated under Sections 5.C or 5.D below.	\$ _____	\$ _____
Depreciation on lease improvements on the applicant's general facilities, other than its warehouse(s).	\$ _____	\$ _____
Depreciation on office equipment.	\$ _____	\$ _____
Maintenance of equipment and buildings, except as allocated under Sections 5.C or 5.D below.	\$ _____	\$ _____
Non-delivery vehicles.	\$ _____	\$ _____
Dues and subscriptions.	\$ _____	\$ _____
Licenses and permits.	\$ _____	\$ _____
Taxes.	\$ _____	\$ _____
Insurance on inventory. If an applicant's inventory insurance is based on the value of inventory, these expenses may be allocated based on the percentage that cigarette inventory value comprises of total inventory value, rather than on sales. The inventory valuation reports required by the insurer shall be used as the basis of allocation according to inventory value.	\$ _____	\$ _____
Other insurance, except as allocated under Sections 5.C or 5.D below.	\$ _____	\$ _____
Interest, except as allocated under Section		

5.C below.	\$_____	\$_____
Office expenses, supplies and printing or copying expenses.	\$_____	\$_____
Professional fees, except as allocated under Section 5.C below.	\$_____	\$_____
Promotion and advertising.	\$_____	\$_____
Retirement, profit sharing, employee benefit plans and employee welfare including group health insurance.	\$_____	\$_____
Salaries, fringe benefits and other remuneration, including employees' pay, officers' salaries, stock plans and payroll taxes, except as allocated under Sections 5.C or 5.D below. If officers or other management personnel receive no remuneration or token remuneration, a value shall be placed on their services at a rate no lower than the average labor rate paid in Arkansas as reported in Arkansas Employment Security Department, Labor Market Information Section.	\$_____	\$_____
Telephone, fax and internet expenses.	\$_____	\$_____
Rent and real estate taxes, except as allocated under Section 5.C below.	\$_____	\$_____
Inbound freight charges.	\$_____	\$_____
Utilities (gas, power and water), except as allocated under Section 5.C below.	\$_____	\$_____
Supervision costs, except as allocated under Sections 5.D below.	\$_____	\$_____
Debit and credit card fees.	\$_____	\$_____
Travel expenses.	\$_____	\$_____
Security, except as allocated under Section 5.C and 5.D below.	\$_____	\$_____
Miscellaneous expenses.	\$_____	\$_____
<b>Total Sales and Miscellaneous Costs:</b>	<b>\$_____</b>	<b>\$_____</b>



- C. Allocation of Warehouse Space Costs – Wholesalers must allocate the expenses listed below according to the percentage that the cubic feet of warehouse space used to store cigarettes sold in Arkansas comprises of total warehouse space used for the storage of goods for sale in Arkansas. All other space in the warehouse(s) shall be excluded from this percentage calculation, although expenses associated with such space shall be allocated.

<b><u>Cost Item:</u></b>	<b><u>Allocated to Cigarettes</u></b>	<b><u>Total</u></b>
Depreciation on warehouse buildings.	\$_____	\$_____
Depreciation on lease improvements on warehouses.	\$_____	\$_____
Depreciation on warehouse equipment.	\$_____	\$_____
Warehouse equipment rental.	\$_____	\$_____
Utilities (gas, power and water). If any of these items is separately metered for warehouse areas serving only cigarettes, such as humidity-controlled rooms, these expenses shall be allocated entirely to the sale of cigarettes. If any of these items is separately metered for warehouse areas not serving cigarettes, such as freezers or coolers, these expenses need not be allocated to the sale of cigarettes.	\$_____	\$_____
Insurance on warehouse equipment and buildings.	\$_____	\$_____
Interest on real estate.	\$_____	\$_____
Warehouse rent and warehouse property taxes.	\$_____	\$_____
Repairs, maintenance and grounds keeping.	\$_____	\$_____
Garbage pickup.	\$_____	\$_____
Security, except as allocated under Section 5.D below.	\$_____	\$_____
Fees of professionals whose work is principally associated with the wholesaler's warehouses.	\$_____	\$_____

Salaries, fringe benefits and other remuneration of warehouse employees. \$\_\_\_\_\_ \$\_\_\_\_\_

Warehouse supplies. \$\_\_\_\_\_ \$\_\_\_\_\_

**Total Warehouse Costs:** \$\_\_\_\_\_ \$\_\_\_\_\_

- D. Allocation of Delivery Vehicle Space Costs – Wholesalers must allocate the expenses listed below according to the percentage that the cubic feet of space in vehicles used for transporting cigarettes sold in Arkansas comprises of total space used for the transportation of goods sold in Arkansas in delivery vehicles. All other space in delivery vehicles shall be excluded from this percentage calculation, although expenses associated with this space shall be allocated.

<u>Cost Item:</u>	<u>Allocated to Cigarettes</u>	<u>Total</u>
Salaries, fringe benefits and other remuneration of delivery vehicle drivers.	\$_____	\$_____
Salaries, fringe benefits and other remuneration of delivery vehicle drivers.	\$_____	\$_____
Garage expenses for the housing and maintenance of vehicles, including:		
Salaries, fringe benefits and other remuneration of garage employees.	\$_____	\$_____
Depreciation and insurance on garage equipment.	\$_____	\$_____
Noncapitalized expendable tools.	\$_____	\$_____
Garage supplies.	\$_____	\$_____
Purchased parts.	\$_____	\$_____
Purchased repairs to vehicles.	\$_____	\$_____
Gas, oil, tires and licenses.	\$_____	\$_____
Delivery vehicle insurance and depreciation.	\$_____	\$_____
Delivery vehicle lease payments.	\$_____	\$_____
<b>Total Vehicle Delivery Space Costs:</b>	<b>\$_____</b>	<b>\$_____</b>

- E. Direct Costs Associated With Sale of Cigarettes in Arkansas – Wholesalers and retailers must allocate the expenses listed below and any other direct costs associated solely with the sale of cigarettes in Arkansas to the wholesaler or retailer's cost of doing business with respect to selling cigarettes in Arkansas.

<u>Cost Item:</u>	<u>Amount</u>
Lease/rental and maintenance of cigarette stamping machines.	\$_____
Cigarette stamping and processing supplies.	\$_____
Cigarette processing equipment.	\$_____
Additional security and supervision costs attributed solely to the sale of cigarettes.	\$_____
Any other expenses attributed solely to the sale of cigarettes in Arkansas.	\$_____
<b>Total Direct Costs:</b>	<b>\$_____</b>

- F. Total Costs Allocated to Sales of Cigarettes in Arkansas.

Total Sales and Miscellaneous Costs: \$ \_\_\_\_\_

Total Warehouse Costs (For Wholesalers Only): \$ \_\_\_\_\_

Total Vehicle Delivery Space Costs (For Wholesalers Only): \$ \_\_\_\_\_

Total Direct Costs: \$ \_\_\_\_\_

**Total Costs Allocated to Cigarettes Sold in Arkansas:** \$ \_\_\_\_\_

- G. Calculation of Percentage Cost of Doing Business Comprises of Basic Cost of Cigarettes.

Total Costs Allocated to Cigarettes Sold in Arkansas for Period: \$\_\_\_\_\_

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Divided by Basic Cost of Cigarettes Sold in Arkansas for Period: \$\_\_\_\_\_

**Percentage Cost of Doing Business Comprises of  
Basic Cost of Cigarettes \_\_\_\_\_%**

## 6. Representative's Certification Statement.

I, \_\_\_\_\_, the \_\_\_\_\_  
[owner/general partner/managing member/responsible corporate officer] do hereby declare under penalty of law that the information provided above and submitted with this application is true and correct to the best of my knowledge and belief.

**Name:** \_\_\_\_\_ **Title:** \_\_\_\_\_

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**7. CPA's Certification Statement.**

I, \_\_\_\_\_, am a licensed certified public accountant and have reviewed the cost data for the above referenced retailer/wholesaler and do hereby declare under penalty of law that the information provided above accurately reflects the wholesaler/retailer's cost data in all material respects.

**Name:** \_\_\_\_\_ **Firm (if any):** \_\_\_\_\_

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_